



COLORADO • SINCE 1882

## **City of Louisville Overview**

The City of Louisville, Colorado became a home-rule municipality January 1, 2002 and began self-collection of sales tax July 1, 2002.

To administer tax policies and collections, the City created a Sales Tax and Licensing Division. The Division is responsible for business registration, sales tax licensing, sales tax collection, lodging tax collection, telephone utility tax collection, tax collection on non-industrial utility usage, auditing, processing sales/use tax refund requests and various revenue reporting.

All businesses with a physical location in Louisville are required to register their business.

Additionally, all businesses selling at retail within the City of Louisville are required to purchase a city sales tax license.

## **City Business Registration**

It is unlawful for any person to engage in business in the city without first having registered their business. It shall be the duty of each business to submit an application for registration and to update and keep current all ownership information and any business changes. Any business transacted at one or more separate premises by one person shall register each place of business. There is no annual fee.

## **City Sales Tax License**

It is unlawful for any person to engage in the business of selling tangible personal property at retail without first having obtained a license therefore. It shall be the duty of each licensee, on or before January 1 of each year, to obtain a renewal of his license if he remains in the retail business or liable to account for tax. No license is transferable, and any business transacted at one or more separate premises by one person shall obtain a separate license for each place of business. The annual license fee is \$25.

Once you have purchased a City of Louisville, Colorado sales tax license, you will receive a tax packet which contains:

- ✓ City of Louisville sales tax return forms for the remainder of the year; (each return is pre-printed with your city account number, vendor name, address, filing period, and due date.)
- ✓ Mailing labels
- ✓ Detailed instructions for completing the return

- ✓ Summary of taxable and exempt transactions
- ✓ Sales tax rate chart with breakdown

## Filing Frequency

The City of Louisville Sales and Use Tax Ordinance #1375, Series 2002, provides that: taxpayers whose monthly city tax due is one hundred dollars (\$100.00) or more, shall file returns and pay tax monthly. taxpayers whose monthly city tax due is less than one hundred dollars (\$100.00) may pay tax quarterly.

Although Ordinance #1375, Series 2002, does not specifically address semi-annual and annual filing periods, the City will permit taxpayers whose annual city tax due is between \$25-\$50 to file a return and pay tax semi-annually, and taxpayers whose annual city tax due is less than \$25 to file a return and pay tax annually.

If a monthly filer drops to less than \$100 per month for an entire calendar year, the annual filing status will change to quarterly for the subsequent calendar year. The annual filing status will be determined by the first full month of city tax collected. If a quarterly filer exceeds \$300 per quarter for an entire calendar year, the status will change to monthly in the subsequent calendar year.

The reporting period for a final return shall end on the date of the transfer of ownership of the business and the return shall be due within 30 days.

## Vendor Fee

The City of Louisville Ordinance #1375 entitles a vendor to withhold three and one-third percent (3-1/3%) of the amount of the tax, or one hundred dollars (\$100.00), whichever is less. If any vendor is delinquent in remitting said tax, the vendor **shall not** be allowed to retain any amount.

## Due Dates

Every taxpayer shall file a return, whether or not tax is due, and remit any tax due to the city on or before the twentieth (20<sup>th</sup>) day of the month following the reporting period. Timely payment shall be evidenced by the postmark date if mailed; otherwise, timely payment shall be evidenced by the date on the receipt issued by the city cashier. Any due date which falls on a Saturday, Sunday or legal holiday recognized by either the Federal government or State of Colorado shall be extended to the first business day following such weekend or holiday.

## Electronic Form

The City of Louisville has developed an electronic self-calculating form as an alternative for taxpayers. This form will calculate the amount of city tax due based on the amounts you enter, the amount of your vendor fee credit, and any penalty or interest due. It is available for you on our web site at

<http://www.ci.louisville.co.us/Licensing/salestaxform/default.htm>.

Once you have completed the form, print a copy to remit with your payment and retain a copy for your records.

Blank tax forms that you may print out are also available at <http://www.ci.louisville.co.us/Licensing/2009salestaxform.pdf>

## **Louisville Sales Tax Exemptions**

The following transactions are **exempt** from the imposition of city sales tax.

- Construction Materials if such materials are picked up by the purchaser and if the purchaser presents a building permit evidencing that a local use tax has been paid.
- Automotive Vehicles or any other personal property for which a specific ownership tax has been paid.
- Sales tax paid to another city if the transaction was previously subjected to a sales or use tax lawfully imposed by another statutory or home rule city or town, or city and county, equal to or in excess of Louisville sales tax.
- Food purchased with food stamps, and food purchased with funds provided by the special supplemental food program for women, infants, and children.
- All sales to government, or the State of Colorado, or its institutions, or its political subdivisions in their governmental capacities only, or sales to religious or charitable corporations in the conduct of their regular religious or charitable functions with proper documentation.

## **Louisville Taxable Property and Services**

The following transactions **are taxable** by the City and are taxed by the State.

- Upon the purchase price paid or charged upon all sales and purchases of tangible personal property at retail.
- Retail sales involving the exchange of property.
- Telephone and telegraph services.
- Commercial consumption of gas and electric services.
- Food and drink served or furnished by places of business at which prepared food or drink is regularly sold.
- Rooms and accommodations services.

## **Louisville Additional Taxable Property and Services**

The following transactions **are taxable** by the City but are not taxed by the State.

- On the amount paid for purchases of all occasional charitable sales by a charitable organization.
- On all sales and purchases of electricity, coal, wood, gas, fuel oil, or coke for residential consumption.
- On the amount paid for purchases of machinery or machine tools, or parts thereof, in excess of five hundred dollars used in Colorado directly and predominantly in manufacturing tangible personal property for sale or profit.
- On the amount paid for all sales and purchases of all food.
- On the purchase price paid or charged upon all vending machine sales and purchases.
- On the sales and purchases of farm equipment and farm equipment under lease or contract.
- On the sales of low-emitting motor vehicles, power sources, or parts used for converting such power sources.

## **Sales Tax - Purchase of Existing Business**

City of Louisville sales tax must be paid on the tangible personal property included in the purchase of an existing business within Louisville. All tangible personal property such as furniture, fixtures, equipment and supplies for use in your business is subject to City sales tax. Please note that local sales tax **is not the same** as the personal property tax you pay to the County. You must submit a copy of your sales contract or purchase agreement that shows 1) the cost of the tangible personal property and 2) the purchase date, with your sales tax payment. Payment is due within 30 days of sale.

## **Use Tax**

The City of Louisville collects a use tax on building materials used for commercial construction (3.375%) and on motor vehicles (3.375%).

Use tax on building materials is collected by the City on commercial permits at the time a building permit is issued. Use tax on building materials for residential permits is not pre-collected and sales tax must be paid to the City when sales tax is not paid on the purchase of the materials. The City is also the collection agent for Boulder County use tax on commercial and residential permits. For more information on building material use tax and related permit fees, go to <http://www.ci.louisville.co.us/building.htm>

Motor vehicle use tax is collected at the time of registration by Boulder County. The County also collects City of Louisville use tax on our behalf. For more information on use taxes and fees for motor vehicle registration, including leased vehicles, go to <http://www.co.boulder.co.us/clerk/motorvehicles/index.htm>

## **Sales Tax & Licensing Division Web Site**

For more information, go to [www.louisville.co.gov](http://www.louisville.co.gov)